

ALAMEDA GOLF COMMISSION MINUTES OF SPECIAL MEETING

Thursday, January 21, 2010

1 CALL TO ORDER

Chair Jane Sullwold called the regular meeting to order at 6:32 p.m. at the Chuck Corica Golf Complex, Ladies Lounge, 1 Clubhouse Memorial Road, Alameda, CA 94502

1-A ROLL CALL

Present: Chair Jane Sullwold, Vice Chair Bill Schmitz,
Commissioner Ray Gaul, Commissioner Jeff Wood and
Commissioner Betsy Gammell

Absent: Commissioner Bill Delaney

Staff: Superintendent Matt Wisely

1-B APPROVAL OF MINUTES

The Commission unanimously adopted the minutes of the December 16, 2009 regular meeting.

1-C ADOPTION OF AGENDA

The Commission unanimously adopted the agenda.

2 ORAL COMMUNICATIONS

None

3 COMMISSION COMMUNICATIONS

Chair Sullwold stated that she and Joe Van Winkle have been involved in lengthy communications with Ann Marie Gallant after the City Council meeting on the 6th of January. Ms. Gallant complained that Joe and others were asking for information from the Golf Complex personnel and City staff on various issues relating to going forward with the plans for a non profit operation of the Mif Albright course and she said they were being overwhelmed by these requests and they had to be coordinated and she decided that all requests should go through herself. In the course of various conversations, Ms. Gallant responded to a variety of things and she said that in terms of Doug deHaan's amendment to the motion of City Council that options be explored for other kinds of operation of the Mif Albright course, that

she was turning to the consultant that she had hired, Dave Sams, asking him to do a report to her regarding non profits and how they work for operating golf courses. Ms. Gallant stated that the RFP interviews that were held last Friday, that she is now seeking some additional information on the RFP's, but she doesn't believe that she can go forward with a presentation to Council for a recommendation about who to negotiate with until the earliest being the second meeting in February. Ms. Gallant reported that she has been requested to do a complete financial analysis of the Golf Complex over the last ten years and she will include that as part of her City Manager communications at the City Council next Tuesday. Chair Sullwold stated that she was intending to attend the meeting, but the only opportunity to speak is not until the Open Communications portion of the meeting. Ms. Gallant intends to hire an independent Accountant to prepare this report. Chair Sullwold stated that Bob Sullwold has sent Ms. Gallant the analyses he has prepared and requested that the report be categorized in the same way and Ms. Gallant stated that was the preliminary direction it was going. Chair Sullwold quoted Ms. Gallant regarding "Transparency of Recommendation" regarding the Mif Albright course. Ms. Gallant stated "Well, I am sorry that people feel that this is not transparent, but I want to remind you both that I have absolutely over compensated and over compromised with involvement from you all in ways in which no other groups or issues had. I often worry that it is so bending over backwards on involvement of the golf community and staff recommendations that it is compromising what we are doing and risking criticism of staff for doing it. Please remember, not even the City Council knows what I am going to recommend in the Staff Report before it goes public, and you all cannot help shape, write or sign off on that recommendation. It is legally a confidential administrative document until issued on a formal agenda. Thus, you all can't know what I'm recommending. If someone feels set up, then there is nothing I can do, but we are going to follow the rules around here no matter how difficult that is. The place for the public's input into the process is at the City Council forum not during the Staff Report preparation period. Or, of course, you can go on the record in various way through the minutes of the Golf Commission". Chair Sullwold drafted a response to Ms Gallant stating that up until now it has always been the practice in the City of Alameda that matters affecting policies at the Golf Complex are typically brought by staff to the Golf Commission first and discussed before they are made a subject of a recommendation to City Council, and this practice started to erode until Debbie Kurita's regime, and thought it would be better under Ms. Gallant, but finds it is back to the old practices of not giving the Golf Commission any opportunity and in her opinion, it is a poor idea, it doesn't give any opportunity for input to be given to issues before that staff comes up with a recommendation as to what should be done about a problem. Considering the Mif Albright situation, it would have been helpful if she had seen financial information suggesting that the Mif was in trouble and come to the Golf Commission and said we need to talk about what needs to be done. She stated that the Golf Commission could have questioned some of the financial information Ms. Gallant and the City Council received stating that the information was a completely different set of assumptions than the information that John Vest had gathered for her when she made the presentation supporting reopening the course in the first place. The Golf Commission could have questioned whether it was reasonable to basically change courses in the middle of the stream instead of

looking at what the direct costs are for operation of the Mif. The memo was not received well by Ms. Gallant. Ms. Gallant response was "I appreciate your history of of the financial inclusionary policy, but I'm sure you'll remember my comment at the beginning to the Golf Commission when I first met you all as well. Anything that is in the books of the City is public information. You can have any of that in as much detail as you want anytime from my perspective. I've given that information both when I was downstairs and upstairs, including line item details. Staff recommendations and staff work is not public information until such time that the agenda is posted. The City Attorney has made that clear here and it is consistent with the way I have done it and been taught for the past 30 years in government. The idea that a staff recommendation has to be screened by a Golf Commission or any commission, for that matter, before a formal Staff Report is done and submitted to the City Council is absolutely not possible. It is allowed under State law only for Planning Commissions as they have police power, but again the Planning Commission recommendation is not binding on the staff recommendation of City Council. Even with the past practices not the way the business works and conflicts with municipal city manager form of government, everybody gets the same shake on the same profit. As to the length of the meeting and the turnout these things are going to have to be decided in a public forum and people are just going to have to get used to long discussions about it on both sides. If it is important to them, they will have to attend and endure it, and I read the feelings around here, there are going to be many more of these long nights during the next six months. But it sounds as if you are implying if the Golf Commission had given me a recommendation counter to what I made, we at Staff would have succumbed to the Commission's recommendation. I would never do that. Staff work is independent of any Board and Commission may or may not rule. As for being "forewarned" I would hope that you are not threatening us with fear of more long meetings or tax on Staff. I already know that these will come, but I cannot ignore my responsibility or specific direction from a majority of five. We did exactly as the motions told us. Intent is irrelevant. It is what they actually said and that was come back in six months with the data. We did. The motion was not to come back with the data and be sure the Golf Commission sees it and is happy with it. The fact that the golf community disagreed is just part of the deliberative process. That is how our system works, for better or for worse." Chair Sullwold stated she believes that either the Golf Commission or the City Council were deceived by the costs that were provided for the operation of the Mif Albright course for the six month period. Bob Sullwold asked Matt Wisely if he spent 20% of his time on the Mif Albright course for the last six months and he stated he did, and then was asked if Patti spent 20% of her time on the Mif Albright course, which he stated he did not know. Chair Sullwold then asked Matt that if the Mif Albright course had not been reopened, would the management salaries be the same, which he answered yes, but he also stated that when the Mif Albright course did reopen, the salaries were not increased. Bob Sullwold then asked Matt how the labor figure of \$5,092 was calculated and Matt explained that the greens were mowed four days a week by a City employee at a rate of \$36.00 for four hours. The cups were changed at a rate of \$11.00 per hour for 1-1/2 hours per week, the rough was mowed eight hours a week at a rate of \$27.00 per hour, the fairways were mowed for three hours a week at a rate of \$27.00 per hour. Matt

stated that he did not have the exact figures with him. He also stated due to the fact that at the time there strict water restrictions, hand watering was being done for 10 hours a week at a rate of \$32.00 per hour. Commissioner Gaul asked Matt if these figures included benefits and he stated they did not as well as did not include any payroll taxes. Matt was asked by an unknown person why the water bill was the same as the previous year with less usage, and he explained that the water rates were raised in July 2009. The water bill for April and May was high due to the fact that the course was essentially dead. Chair Sullwold asked Matt if the water bill included any other part of the Golf Complex and he stated that it was strictly for the Mif Albright course and the cart barn. There are other meters for the remainder of the complex. Matt explained the cart barn uses very little water.

Chair Sullwold stated that she has someone they can contact regarding non-profit operation of the Mif Albright course.

4 AGENDA ITEMS

4-A Status Report on RFP

Commissioner Schmitz stated that he and Chair Sullwold sat in on the interviews of the applicants on the RFP. He stated that it will be the City Manager's recommendation. He and Chair Sullwold asked questions in an open discussion, but they have no vote or say as to her recommendation. Chair Sullwold stated that she had sent an email to Ann Marie Gallant asking if she was planning on having another meeting with herself and Commission Schmitz and Ms. Gallant responded that she was intending to do that, but that everything is being delayed until after February 3, 2010. Chair Sullwold stated that this was for a recommendation of which of the two proposers to begin negotiating with, not enter into a contract, with negotiations taking 90-120 days. She also stated that Bob Sullwold has been in email contact with Michelle Ellson from the Alameda Journal. Michelle had asked the City under the "Freedom of Information" request for the responses to the RFP and Terry Highsmith, the City Attorney, responded "no way" and gave her five detailed reasons as to why these are confidential because they are protecting the business planning of the people who respond from being invaded by other competitors, and it would be very dangerous for their business interests if it was released prematurely, but the bottom line of Terry Highsmith's email was that until the City enters into a contract with a bidder, the RFP will remain confidential. Chair Sullwold believes that Ann Marie Gallant will have a meeting with herself and Commissioner Schmitz at which time they can express their opinion, then Ms. Gallant will reach her own decision with consultations from her hired consultant who is being paid out of the Golf Enterprise Fund and she will then, on the second meeting in February, go to the City Council and say "I recommend you authorize me to negotiate with ABC company" and she won't disclose what ABC company's proposal was or what they wanted to do. Commissioner Schmitz suggested that would be the time for the public to state their opinions regarding the structure of the Golf Complex.

4-B Discussion of Proposal to operate Mif Albright Course through a non-profit corporation

Joe VanWinkle has put together an organization plan including establishing teams in the areas of legal risk, ground finance accounting, golf expertise, fundraising and corporate sponsorship, and programming which involves kids, golfers and non-golfers which all represent opportunity. An action plan has been put together and has started dealing with the people who are doing these different streams of work. He briefed Norma Arnerich for Alameda Junior Board and that will be calendared when they are ready. An alignment of a calendar of events has been made through next summer. A business plan has been drafted which includes segmentation, targeting and benchmarking various ideas that other Par 3 courses are doing across the country. In 1985 the City of Baltimore decided to form a non-profit corporation which included five major golf courses. San Antonio also did this a few years ago which included seven major golf courses. Buttonhole in New Jersey has been operating since 2001 with good sponsorship programs. It is only open half of the year and all the funding works. Competitive analysis has been done in the local market, and he has looked at the operations issues in terms of office and turf management, golf course maintenance and landscaping, and water issues. He has received verbal approval for a grant from a local entrepreneur in Alameda and also has a list of other grants and other fundraising ideas. Joe believes they might not have to hire any full time employees, it can be done with contracted services. Regarding the financials, the course is basically at a breakeven point without the overhead allocation. The breakeven amount for the month is \$5,000 with last month only bringing in \$4,000. 122 rounds were \$1.00 each, but if they are an NCGA member, we receive \$7.00 from the NCGA. If 50% percent of the Seniors Club, Men's Club and Ladies Club play this course once a month (300 players) that equates \$32,000 annually. He asked the Golf Commission to provide the data to him and permission to organize volunteers through posting a flyer on the premises. Chair Sullwold stated that she believed that would have to be permitted by the City Manager and that she would follow up if they have permissions to post such flyers. Joe then asked the Junior Golf Club to possibly have an "Opening Day" to sign up more juniors. Chair Sullwold asked Joe if any other non-profit organizations have been asked if they were willing to take over this facility. He stated that he had been in contact with Alameda Junior Club, The First Tee and a non golf non-profit organization. Operating the course through a First Tee affiliation was discussed. Norma Arnerich stated that the Alameda Junior Golf Club would like to have a chance at looking at operating the course. Another organization discussed was Pro Kids which doesn't run courses, but brings in tournaments and other events. Mrs. Arnerich also stated that she wants to set up a meeting with David Betters who runs a non profit course at the fairgrounds and is willing to work with the Junior Golf Club. Chair Sullwold thinks the Golf Commission should be ready with a presentation to City Council at the time of the RFP recommendation. Discussion ensued as to who would be in charge, who would maintain it and what amount of capital would be needed. Chair Sullwold stated that this topic was brought up at an Alameda Women's Golf Club general meeting last Thursday and she received commitments of donations in the amount of \$2,175 for the start-up costs and since then another

\$300 which totals \$2,475. Chair Sullwold asked Matt Wisely to convey to management to make sure employees are having juniors sign the NCGA form for proper reimbursement.

4-C Update on Golf Complex Finances

Chair Sullwold stated that the financial report had not been received from the City. Bob Sullwold stated that the Fry and Clark courses were down in rounds and revenue. For the first six months of the fiscal rounds are down about 11%, revenue is down roughly \$60,000 or 4.5%. The financial performance is worse this year than last year.

4-D Consideration of Memorial Bench Program for the Golf Complex

Matt Wisely and John Vest have researched concrete benches, and according to Dale Lillard, the benches that are used at the parks run about \$500 or \$600. That is the price just for the bench, not for the plaque. Chair Sullwold asked if they could get some pictures of the iron wood benches.

5 ORAL REPORTS

5-A Golf Shop and Driving Range activities report by John Vest

None

5-B Golf Complex Maintenance activities report by Matt Wisely

Matt Wisely stated that we received over 5 inches of rain since Saturday. Four trees were lost, two gigantic eucalyptus trees on number one North alongside the pond on the right hand side, one behind number one green on the Mif, and one leaning on the driving range on the Mif. He is trying to get on ETA on the second pump that was removed back in September. There is widespread flooding on the course and they are trying to get the course back open for the weekend. There is a 50% chance of rain tomorrow. All the sloughs are backed up and the water is above the rocks on number five on the North in the fairway. The two trees that fell on number one North is because the slough between eighteen and one is now passed the cart path. There may be no carts allowed this weekend. They are constantly moving water and cleaning debris. The bridge between 15 North and the maintenance yard is under water. The course was closed today due to possible winds resulting in risks of trees falling. As of January 1, we have 11 new staff members (four are ex City employees) and seven new employees. Labor has been cut back due to the weather. The Par 3 course is being mowed everyday as well as changing the cups daily. Matt responded to a question from Chair Sullwold regarding the Coastal Redwoods stating that they cannot handle salt, since they are watered with non-potable water. An arborist was out and stated the same. The trees are watered along with the rest of the golf course. He believes that had we had winters like we're

having the last few years, it might have flushed some of the salt out. Cypress trees, on the other hand, like the salt.

5-C Beautification Program and Junior Golf Club by Mrs. Norma Arnerich

None

5-D Golf Complex Restaurant Report, Jim's on the Course

None

6. COMMISSIONERS' REPORTS

6-A Marketing and Promotions, Commissioner Gammell

Commissioner Gammell stated that Monday thru Fridays, one mini membership which includes unlimited golf for \$140 which is the price of a monthly pass, and there will be a Superbowl Sunday Shotgun Special which includes 18 holes with cart on the Jack Clark South Course, a warmup bucket of balls, entry into a drawing (prizes include complimentary rounds of golf, balls, hats, range balls and more). Winners will be notified by email. All participants will have the chance to draw a discount voucher which is from 15% to 50% off on merchandise. The price of the special is \$50 per player.

6-B Maintenance, Buildings, Security, Albright Course and Driving Range, Secretary Wood

None

7. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

8. OLD BUSINESS

None

9. WRITTEN COMMUNICATIONS

Included in the Commission packet was a memorandum to the Finance Department showing a surcharge payment for December 2009 of \$5,811. The year-to-date total to the General Fund is \$66,112 for FY 2009/10.

10. ITEMS FOR NEXT MEETING'S AGENDA

- Status Report on RFP
- Discussion of proposal to operate Mif Albright course through a non-profit
- Update of Golf Complex finances
- Consideration of a Memorial Bench program for the Golf Complex

11. ANNOUNCEMENTS/ADJOURNMENT

The meeting was adjourned at 8:36 p.m.

The agenda for the meeting was posted 72 hours in advance in accordance with the Brown Act.